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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, November 20

NIHON KEIZAI (Page 2) (Full)
November 21, 2006

(Local time)

Morning Laid a wreath at the Ho Chi Minh Mausoleum in Hanoi. Made courtesy calls on Vietnamese President Nguyen Minh Triet and Vietnam Communist Party Secretary General Nong Duc Manh. Attended a meeting of Japanese business leaders, including Japan Business Federation Chairman Mitarai, and Vietnamese economic ministers at Melia Hotel. Held a press conference in Hanoi Tower.
Afternoon Hosted a reception at Melia Hotel. Visited Thang Long

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Industrial Park. Departed from Hanoi airport on a government plane.

(Japan time)

21:39

Arrived at Haneda Airport.

22:17

Arrived at his private residence in Tomigaya.

4) Prime Minister Abe: North Korea should take concrete steps to abandon its nuclear programs

ASAHI (Page 4) (Full)
November 21, 2006

Takehiko Yabe, Hanoi

Referring to the six-party talks to be resumed next month at a press conference in Hanoi on the morning of Nov. 20 (on the afternoon same day, Japan time), Prime Minister Shinzo Abe revealed his intention that Japan along with the United States and other members of the six-party talks would urge North Korea to abandon its nuclear programs. He stated: "Resuming the six-party talks is not the goal. North Korea needs to take concrete steps to give up its nuclear weapons. The North must respond sincerely."

Regarding specifics, Abe said:

"I exchanged views with the leaders of the United States, South Korea, and China. I want to refrain from referring to the contents of the summits. Japan, the US, and South Korea were able to coordinate differences in views."

As to the issue of abductions of Japanese nationals, the prime minister stated:

"I emphasized the importance of resolving the abduction issue as early as possible. US President Bush and leaders of other nations expressed their support for my view. I think various countries have deepened their understanding of the issue and increased their understanding for Japan's position."

Referring also to calls for a nuclear option for Japan, Abe stated:

"Our country is the only country that has suffered from nuclear bombs. Japan must lead the drive to eliminate nuclear weapons from the world. We have abandoned a nuclear option. The formal organizations in the government and the Liberal Democratic Party will never debate whether Japan should possess nuclear weapons."

5) Main points of Prime Minister Abe's press briefing

SANKEI (Page 5) (Full)

November 21, 2006

Jiji

The following are the main points of Prime Minister Shinzo Abe's remarks made during a press conference yesterday.

North Korean nuclear issue

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It is very significant that the Asia-Pacific Economic Cooperation (APEC) summit conference chairman issued an oral statement expressing strong concern over North Korea's nuclear test. North Korea needs to heed objections from the international community with sincerity and respond to them faithfully.

The six-party talks, once they are resumed, need to achieve specific results leading up to denuclearization of the Korean Peninsula. Japan, the United States, and South Korea in our summit talks were able to coordinate views (on how to respond to North Korea) to a considerable extent. Japan and China, as well, in our summit meeting, coordinated views considerably. In the sense of aiming at denuclearizing the Korean Peninsula, China's position is the same as ours.

Abduction issue

The abduction is gravely important. I emphasized the need to resolve the issue as quickly as possible through international cooperation. US President Bush and other countries' leaders stated their support for our position. I believe firmly that Japan's position has now been understood and supported more widely.

Nuclear-arms debate in Japan

(Japan) must lead the movement for the elimination of nuclear weapons from the world. We have renounced the choice of nuclear possession. No nuclear-arms debate will be held in any official arenas in the government and the Liberal Democratic Party.

6) Business leaders accompany Abe to Vietnam; Public-private diplomacy launched

NIHON KEIZAI (Page 5) (Excerpts)
November 21, 2006

Nippon Keidanren (Japan Business Federation) dispatched more than 130 members to Vietnam on Nov. 19-20 in conjunction with Prime Minister Shinzo Abe's official visit to that country. In many European countries, the government and business circles have made joint efforts to boost domestic businesses. Japan has also launched a public-private diplomatic approach for the first time. The next challenge for Japan is how to take this approach to such big markets as China and India.

During a seminar for companies sponsored jointly by the Vietnamese Planning and Investment Ministry and Nippon Keidanren, Vietnamese Prime Minister Nguyen Tan Dung welcomed Keidanren members' visit to his country, saying, "I highly appreciate Japanese companies' interest in investment in Vietnam." In response, Abe proudly said, "The visit by more than 130 business leaders represents an eagerness to strengthen relations between Japan and Vietnam."

The plan for a visit to Vietnam by business leaders cropped up during a welcome party for the visiting Dung on the night of Oct. 19. Chief Cabinet Secretary Yasuhisa Shiozaki conveyed to Keidanren Chairman Fujio Mitarai Prime Minister Abe's desire to have business leaders accompany him to Vietnam. Mitarai immediately took action and formed a delegation of representatives from about 60 companies. The delegation arrived in Hanoi by charter flight.

When European leaders visit foreign countries, they often bring

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business leaders with them. In many cases, business leaders accompanying state heads successfully arrange deals for large-scale projects, such as railway construction or sale of aircraft. When leaders from France, Germany, and other countries visited China, they received orders for large projects. Sumitomo Corporation Chairman Kenji Miyahara said, "Japan also should take a step forward."

In this sense, the visit to Vietnam provided a good opportunity for Prime Minister Abe to make an appeal. The Canon plant that Abe visited on the afternoon of Nov. 20 exports printers and other products. The ratio of exports by Japanese manufactures in Vietnam account for 2.3% of Vietnamese total exports.

7) Poll: 80% support 3 nonnuclear principles; Public opinion split over nukes debate

YOMIURI (Page 2) (Full)
November 21, 2006

The Yomiuri Shimbun conducted a face-to-face nationwide public opinion survey on Nov. 11-12, in which respondents were asked if Japan should keep up its self-imposed three nonnuclear principles of not producing, possessing or allowing nuclear weapons into the country. In response to this question, a total of 80% answered "yes," including "yes to a certain degree." Meanwhile, a total of 18% would not mind if Japan changed the triple nonnuclear policy.

In the wake of North Korea's nuclear test, some in the government and the ruling Liberal Democratic Party are saying Japan may debate whether it should go nuclear. Asked whether they support this argument, public opinion was split, with "no" totaling 51% and "yes" accounting for 46%.

Broken down by gender, affirmative answers outnumbered negative ones among males, respectively accounting for 52% and 46%. Among females, negative answers topped affirmative ones at 56% and 40%.

Among LDP supporters, "yes" totaled 51%, with "no" accounting for 46%. Among those who support the leading opposition Democratic Party of Japan (Minshuto), however, "no" totaled 56%, with "yes" reaching 42%.

The six-party talks over the North Korean nuclear issue are expected to resume. In the survey, respondents were asked if they could expect the issue of North Korea's nuclear development to be resolved. In response, "no" accounted for 74%, with "yes" at 20%.

8) Gov't may change Fukuda doctrine over collective self-defense:
Shiozaki

YOMIURI (Page 2) (Abridged)
November 21, 2006

Chief Cabinet Secretary Shiozaki, meeting the press yesterday, indicated that the government could review a statement released in December 2003 by Chief Cabinet Secretary Fukuda over missile defense. In connection with case studies regarding collective self-defense, Fukuda stated that Japan would limit its missile defense to defensive purposes only.

"We're going to discuss what the (Fukuda) statement really means,"

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Shiozaki said. "Whether to review the statement depends on the outcome of discussions," he added. With this, he suggested the need for the government to study whether Japan would be allowed to intercept missiles launched at the United States.

The government, in its conventional constitutional reading, takes the position that intercepting missiles launched at other countries could fall under the category of collective self-defense. When the government made a formal decision to introduce a missile defense system, Fukuda negated Japan's participation in collective self-defense, stating that Japan's missile defense system is

intended to defend Japan and will not be used to defend third countries.

9) Futenma relocation: Kyuma cautious about retouching V-shaped airstrips plan

ASAHI (Page 2) (Full)
November 21, 2006

Defense Agency Director General Kyuma indicated yesterday that it would not be realistic to make substantial changes to the government's plan to lay down a V-shaped pair of airstrips in Okinawa Prefecture as an alternative to take over the heliport functions of the US Marine Corps' Futenma Air Station in the island prefecture. Meanwhile, Hirokazu Nakaima, who won Okinawa's recent gubernatorial election, has said he cannot agree to the current relocation plan. Kyuma, however, raised a question about the Okinawa prefectural government's stance. "I wonder what plan (the Okinawa prefectural government has)," Kyuma said to an Asahi Shimbun reporter. "Even if the prefectural government agrees (to a retouched plan), environmental groups and others may oppose it, so we may not be able to go ahead with that plan. We must be careful about whether it's feasible," he added.

Administrative Vice Foreign Minister Shotaro Yachi has also indicated that it would be difficult to reopen negotiations with the US government about Futenma relocation. "This is not a matter we intend to change in the future," Yachi told a press conference yesterday.

Nakaima will visit Tokyo this month to meet with Kyuma and other government officials and ruling party executives. The government has not held talks with Okinawa's prefectural and municipal governments since August, so Nakaima will exchange views with Kyuma to resume talks within the year. The Defense Agency wants to hold informal talks with the Okinawa prefectural government before Dec. 10 when Nakaima is set to become governor.

The government initially intended to map out a new airfield construction plan in late October. The Defense Agency is expected to reach an agreement with the US government on it within the year and will explain it to Nakaima for his understanding.

10) Defense chief to discuss Futenma relocation issue with Okinawa:
"Like the governor, I also want to see progress on relocation

TOKYO SHIMBUN (Page 2) (Full)
November 21, 2006

Defense Agency Director General Fumio Kyuma yesterday gave an interview to Tokyo Shimbun, in which he revealed that his agency

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would hold pre-consultations on the relocation of the US Marine Corps Air Station Futenma late this month as the ruling parties' backed candidate Hirokazu Nakaima won Sunday's gubernatorial election.

Upon revealing his intention to resume discussions between the central government and relevant municipalities in Okinawa on the Futenma issue next month, Kyuma stressed the need for pre-consultations, stating:

"Soon after (Dec. 11, the new governor's first day of work at the prefectural government, both the central and prefectural governments) start the work of compiling the budgets for next fiscal year. During that period, we should negotiate behind closed doors."

Asked about the fact that Nakaima has opposed the central government's Futenma relocation plan, Kyuma responded: "Mr. Nakaima has strong hopes for progress on (relocation). We have the same view."

11) Government aims to resume negotiations on Futenma relocation issue next month

Following the victory of ruling coalition-backed candidate Hirokazu Nakaima in Sunday's Okinawa gubernatorial election, the government yesterday began coordination to steadily implement its plan to relocate the US Marine Corps Air Station Futenma (in Ginowan City) to the coastline of Camp Schwab (in Nago City). In order to push forward with full-fledged consultations, the government plans to hold a second meeting in December with the Okinawa prefecture and four relevant municipalities. No meeting has been held since August.

Chief Cabinet Secretary Yasuhisa Shiozaki called Administrative Vice Defense Minister Takemasa Moriya and Cabinet Office Deputy Director General (for Okinawa affairs) Munetaka Takeda in the Prime Minister's Official Residence (Kantei) and ordered them to quickly pave the way for consultations with Okinawa on Dec. 10 when Nakaima assumes the governorship or later. The consultations will focus on the formulation of a concrete construction plan for the V-shaped runway plan in Camp Schwab, as well as on coordination on national funding the prefecture gets for promotion measures.

Shiozaki revealed at a press conference yesterday that the government would reflect Okinawa's views in compiling at the end of this year a state budget for next fiscal year. He stated: "Since the government will compile in December the budget for next fiscal year, I want to closely communicate with Mr. Nakaima." He repeatedly said, "I want to discuss the matter in a polite manner," implying consideration to Okinawa. Nakaima will exchange views with the heads of relevant municipalities, including the mayor of Nago City, this week. He plans to meet next week in Tokyo with Prime Minister Shinzo Abe and cabinet ministers concerned.

Nakaima took a flexible stance toward the replacement facility plan, though calling for changes. He told reporters, "Even though there are differences the government's plan and our scenario, we should push ahead the plan if such leads to reducing the excessive burden on Okinawa." He is at odds with the government on details.

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12) Futenma relocation: Gov't mulling local development measures

SANKEI (Page 5) (Abridged)
November 21, 2006

Now that Hirokazu Nakaima, backed by the ruling coalition of the Liberal Democratic Party and the New Komeito, has won Okinawa Prefecture's gubernatorial election, the government yesterday set about its full-fledged study of economic development measures for Okinawa's base-hosting localities in an aim to accelerate the issue of relocating the US Marine Corps' Futenma Air Station in Ginowan City. The government will hold a meeting of its consultative body with Okinawa's prefectural and municipal governments in mid-December to talk about the planned relocation of Futenma airfield. The government wants to have Okinawa's local views of economic development reflected in its budget for fiscal 2007.

In addition, the government will also present a US force realignment promotion bill to the Diet in its ordinary session next year, incorporating a new subsidization plan to fund local economic development according to the progress of Futenma relocation.

Chief Cabinet Secretary Yasuhisa Shiozaki yesterday called in Defense Agency Administrative Deputy Director General Takemasa Moriya to the prime minister's office and directed him to accelerate preparations for talks with Okinawa. "The important thing is that revitalizing Okinawa's local economy is a matter of primary concern to Okinawa Prefecture's population," Shiozaki told a press conference later in the day. "I hope that we will be able to hold sincere talks about issues regarding Japan's national security as a whole and about measures to alleviate Okinawa's base-hosting burden," the government's top spokesman added.

Nakaima reiterated yesterday that he would conditionally accept the

proposed relocation of Futenma airfield within Okinawa Prefecture. "If the government's plan differs from our idea or scenario, but if the government will make efforts to alleviate Okinawa's overly heavy burden of hosting US military bases, then I hope that we will be able to make headway," Nakaima said.

The Defense Agency will present a package of local economic development measures in a consultative meeting and will seek Nakaima's understanding on the government's plan to build a V-shaped pair of airstrips that Governor Inamine has opposed.

13) Government eyes submission of US force realignment bills to regular Diet session next year, taking Nakaima victory in Okinawa gubernatorial election as good chance

MAINICHI (Page 2) (Full)
November 21, 2006

The government yesterday started discussing the possibility of submitting bills related to the realignment of US forces in Japan to the ordinary Diet session next year. Officials take the victory of Hirokazu Nakaima in the gubernatorial election on Nov. 19 as a good chance to push ahead with the agenda, seeing Nakaima indicated yesterday a flexible stance toward the government's plan to relocate the US Marine Corp's Futenma Air Station to a coastal area of Camp Schwab. The government intends to resume negotiations at the Council on Futenma Relocation with Okinawa and other local governments

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involved in the plan possibly in mid-December. Whether sufficient economic incentives will be included in the bills is likely to be the key in an effort to sway the local communities into endorsing the plan.

During the election campaign, Nakaima had expressed opposition to the government's Futenma relocation plan. But he indicated a flexible stance toward the plan yesterday, saying before reporters in Okinawa, "Even if the plan is slightly different from our scenario, we should move ahead with it as long as the plan will lead to reducing our burden."

In a press conference yesterday, Chief Cabinet Secretary Yasuhisa Shiozaki stressed the government's willingness to forge ahead with negotiations.

The government has worked out two related bills: One pertaining to grounds for Japan to foot the bill for relocating US Marines from Okinawa to Guam; and another designed to provide local communities with state subsidies in accordance with the state of progress in construction work, with atomic power plant projects as a model.

The government plans to offer subsidies to Okinawa, as well as to communities that will be pressed with a heavier base burden as a result of US force realignment. The Defense Agency and the Finance Ministry have already started coordination to submit the bills to the regular Diet session.

The Council on Futenma Relocation is composed of the central government and such relevant local governments as Okinawa and Nago City. A decision was made in a cabinet meeting this May to set up the panel, and the panel held its first meeting in August. But since then, no session has been held, given the gubernatorial election.

In the planned session of the council, the government is willing to discuss these three themes: (1) a specific construction plan; (2) measures to remove risks and protect the environment; and (3) local economic incentives. The government anticipates that even if negotiations face difficulty over the coastal plan, dialogue will be continued on economic stimulus measures.

According to the government's plan, the transfer of Futenma is completed in eight years, with three years for assessing the environmental impact and five years for construction work, and the government aims to complete the project by 2014. To attain this goal, it is necessary to start the environment assessment next year. The government hopes to obtain understanding toward its coastal plan

at an early date by preparing subsidies as the "carrot."

14) Nakaima collected more votes than Itokazu in base towns like Ginowan and Kadena

YOMIURI (Page 4) (Excerpts)
November 21, 2006

In the Nov. 19 Okinawa gubernatorial race, Hirokazu Nakaima backed by the ruling coalition defeated Keiko Itokazu backed by the opposition bloc. In the race, votes for Nakaima outnumbered those for Itokazu in 31 of the 41 municipalities in the prefecture. Included in them were Ginowan, home to Futenma Air Station, Kadena, home to Kadena Air Base, and many other municipalities bearing heavy burdens for US bases.

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In the 2004 Upper House election in which Itokazu won a seat, votes for her outnumbered those for the LDP candidate in the great majority of those municipalities. Experts think Itokazu's anti-base message did not resonate in those municipalities this time.

A conservative Minshuto (Democratic Party of Japan) member took the following view about Itokazu's campaign pledge to immediately close down Futenma Air Station to move it out of Japan: "The unfeasible campaign pledge did not collect votes. The conventional anti-base message was rejected in Okinawa, where reformist views run deep."

15) 10% of eligible voters cast ballots before Nov. 19 Okinawa gubernatorial election; 70% of those votes went to Nakaima

YOMIURI (Page 4) (Full)
November 21, 2006

In the Nov. 19 Okinawa gubernatorial election, 110,606 people, or 10.5% of the total eligible voters, cast ballots before election day. In other words, one in every six actual voters went to the polling stations before Nov. 19. Some experts ascribe this phenomenon to calls for early votes by the Liberal Democratic Party and the New Komeito, which backed the winner Hirokazu Nakaima.

The previous 2002 gubernatorial election marked a little over 50,000 absentee votes. The number of absentee votes doubled due in part to the simplified advance ballot system.

The Nakaima camp took a strategy of encouraging solid supporters to go to the polls before Nov. 19 in order to focus on less enthusiastic municipalities. A senior LDP member took this view: "I think 70% of the advance votes went to Nakaima. The votes on Nov. 19 might have been even between Nakaima and Itokazu."

16) Opposition bloc softens stance on Diet following defeat in Okinawa race; Ozawa's approach under fire

YOMIURI (Page 4) (Excerpts)
November 21, 2006

The Diet moved toward the point of normalcy yesterday following the Okinawa gubernatorial race, in which the ruling and opposition camps clashed head on. Defeated in the race, the opposition has begun showing some flexibility. The Liberal Democratic Party has also begun undertaking full-fledged coordination for the question of reinstating the so-called postal rebels, which has been frozen during the Okinawa election campaign.

Minshuto (Democratic Party of Japan), the Japanese Communist Party, the Social Democratic Party, and the People's New Party decided in yesterday's Diet chiefs' meetings that they would: (1) comply with the ruling bloc's request for a Diet chiefs' meeting on Nov. 21; (2) demand the government and the ruling coalition put an end to the town meeting fake question issue and the compulsory school curriculum requirements evasion problem as prerequisites for their return to Diet deliberations.

Minshuto Diet Affairs Committee Chairman Yoshiaki Takagi said in a

press conference: "We are not happy about boycotting deliberations. We, too, are hoping for talks with the ruling bloc (to break the impasse in the current situation)." The party had conditioned its

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return to Diet deliberations on a remand of the basic education law revision bill to the Lower House. But in yesterday's press meeting, Takagi said, "If the conditions are met for advancing Diet deliberations, we will have to withdraw (our demand for the bill's pass-back)." Minshuto's posture was visibly flexible.

The ruling bloc had planned to begin Upper House deliberations on Nov. 21 independently without the opposition parties. But it has changed the plan in deference to the opposition. "It's not wise to drive the opposition bloc into a tight corner," a ruling party member said with confidence.

The softened stance of the opposition bloc is mainly ascribable to its defeat in the Okinawa gubernatorial race that robbed it of momentum. One opposition member even took this view: "Boycotting committee sessions had a negative impact on our election strategy. We should quickly return to Diet sessions in order to question the government and the ruling coalition there."

The JCP has been dismissive of boycotting Diet sessions all along. "If this situation persists, the JCP might return to committee sessions independently, causing discord in the opposition bloc," an opposition lawmaker noted.

Some Minshuto members have begun questioning President Ichiro Ozawa's responsibility for leading the boycott strategy.

A mid-level member not close to Ozawa said yesterday: "Nowadays, boycotting sessions is out of line with public opinion. It was inappropriate to link the Okinawa race to Diet affairs."

17) Diet to return to normal possibly tomorrow, with opposition parties looking for ways to rejoin deliberations in wake of defeat in Okinawa gubernatorial race

SANKEI (Page 5) (Excerpts)
November 21, 2006

Four opposition parties that have boycotted deliberations in both chambers of the Diet on the bill amending the Basic Education Law, following their backed-candidate's defeat in the Okinawa gubernatorial election, began looking for ways to return in earnest to the deliberations as a source concerned with Diet affairs of the Democratic Party of Japan (DPJ or Minshuto) stated, "Now is the time to do so." Minshuto President Ichiro Ozawa, as well, late yesterday met with Secretary General Yukio Hatoyama and other party members and essentially allowed the party to rejoin the deliberations. The Diet is expected to return to normalcy as early as tomorrow after talks today between the chairmen of both the ruling and opposition parties' Diet Affairs Committees.

Four opposition parties -- Minshuto, the Japanese Communist Party (JCP), the Social Democratic Party (SDP), and the People's New Party -- yesterday held a meeting of the chairmen of their Diet Affairs Committees. In the meeting, they decided to respond to talks with the ruling bloc's Diet affairs committee chairmen. On the other hand, the ruling parties, heeding the opposition bloc's now softened attitude, yesterday delayed the start of the deliberations at the Upper House Special Committee on the Basic Education Law.

As a condition of returning to the deliberations, Minshuto called on the ruling bloc to have intensive deliberations at the budget

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committee and other committees on such problems as school bullying, the failure of schools to teach compulsory subjects, and "bureaucrats-prearranged questions" for the government's town-hall meetings. The ruling camp responded: "It would be fine to have deliberations at every committee." Minshuto is now showing a more

flexible stance to this response, with an opposition senior Diet Affairs Committee member saying, "We don't have to stick to the formalities." If intensive deliberations at the Lower House Committee on Education, for instance, is ensured, the opposition parties may return to the deliberations.

SCHIEFFER